



भारत का यजपत्र

The Gazette of India

असाधारण

EXTRAORDINARY

भाग II — खण्ड 2

PART II — Section 2

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 2] नई दिल्ली, शुक्रवार, फरवरी 26, 1999 / फाल्गुन 11, 1920

No. 2] NEW DELHI, FRIDAY, FEBRUARY 26, 1999 / PHALGUN 11, 1920

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bill was introduced in Lok Sabha on 26th February, 1999

BILL NO. 19 OF 1999

A Bill to amend the Finance (No. 2) Act, 1998.

BE it enacted by Parliament in the Fiftieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Finance (No. 2) Amendment Act, 1999.

Short title and
commencement.

(2) It shall be deemed to have come into force on the 31st day of December, 1998.

Amendment of
section 88.

21 of 1998.

2. In the Finance (No. 2) Act, 1998 (hereinafter referred to as the principal Act), in section 88, in the opening paragraph, for the words, figures and letters "before the 31st day of December, 1998", the words, figures and letters "before the 31st day of January, 1999" shall be substituted.

Amendment of
section 90.

3. In section 90 of the principal Act, in sub-section (1), after the second proviso, the following proviso shall be inserted, namely:—

'Provided also that in a case where the declaration is made on or after the 1st day of January, 1999, the provisions of this sub-section shall have effect as if for the words "within sixty days", the words "within thirty days" had been substituted.

Ord. 20 of
1998.

4. (1) The Finance (No. 2) Amendment Ordinance, 1998 is hereby repealed.

Repeal and
saving

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the corresponding provisions of the principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

Sections 86 to 98 of the Finance (No. 2) Act, 1998 contain the provisions relating to the Kar Vivad Samadhan Scheme, 1998 for settlement of certain disputed direct and indirect tax arrears. The said sections, *inter alia*, contain provisions relating to the period during which the said Scheme shall be in operation. The Scheme was in operation for a period of four months beginning from the 1st September, 1998 and ending on the 31st December, 1998. The assessees were required to file the declaration on or before the 31st December, 1998 to get the benefit of the Scheme.

2. A large number of clarifications had to be issued for the implementation of the Scheme. The Scheme was also challenged by a civil writ petition before the Hon'ble High Court of Delhi. The Hon'ble High Court, in its judgment delivered on the 17th November, 1998, *inter alia*, struck down the proviso to section 92 of the Finance (No. 2) Act, 1998 as violative of article 14 of the Constitution as it results in creating into two artificial classes between the same class of assessees, *i.e.*, the litigating assessees in arrears. After the said judgment the benefit of the Scheme had to be extended to such cases where the Department is in litigation. This judgment was accepted by the Government. However, the instructions to the income-tax authorities to comply with the said judgment of the Hon'ble High Court in departmental appeals under the Scheme could be issued only in the month of December, 1998 being the last month of the operation of the Scheme. Besides, a large number of representations from various quarters including trade associations, professional bodies and chambers, etc., were also received requesting the Central Government to extend the period for which the Scheme would be in operation to enable the assessees to take benefit under the Scheme.

3. In view of the circumstances mentioned in the foregoing paragraph, the Central Government decided to extend the period of operation of the Scheme by a month, *i.e.*, from the 31st December, 1998 to the 31st January, 1999. Further, under the provisions as they existed before the promulgation of the said Ordinance, a period of sixty days is allowed to the designated authority to determine the sum payable under the Scheme and a further period of thirty days is allowed to the assessees from the date of such determination for making the payment of sum payable. It was felt equally necessary that the outstanding taxes declared under the Scheme need to be collected within the current financial year. It was, therefore, proposed to reduce the period of sixty days available to the designated authority to only thirty days for determining the sum payable under the Scheme in respect of declarations filed during the extended period.

4. Whereas Parliament was not in session and the amendments to the provisions of the Finance (No. 2) Act, as mentioned above, were to be carried out immediately as the last date of filing declarations under the Scheme was the 31st December, 1998, the Finance (No. 2) Amendment Ordinance, 1998 (Ord. 20 of 1998) was promulgated by the President on the 31st December, 1998.

5. The Bill seeks to replace the said Ordinance.

YASHWANT SINHA.

NEW DELHI;
The 19th February, 1999.

S. GOPALAN,
Secretary-General.